

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING RECAP  
JULY 7, 2010**

**DIRECTORS PRESENT**

Jim Haselton, Committee Chair  
Mike Safranski, Committee Member

**STAFF PRESENT**

Don Chadd, General Manager  
Hector Ruiz, District Engineer  
Teresa Teichman, District Secretary  
Karen Warner, Accounting Technician  
Michael Perea, Special Projects Manager

**PUBLIC PRESENT**

No members of the public were present.

**CALL MEETING TO ORDER**

Committee Chair Haselton called the July 7, 2010 Finance/Audit Committee Meeting to order at 7:06 a.m.

**VISITOR PARTICIPATION**

Public comments were announced. No comments were received.

**ORAL COMMUNICATION**

Oral communication was announced. No comments were received.

**COMMITTEE MEMBER COMMENTS**

There were no Director comments

**REPORT FROM THE GENERAL MANAGER**

General Manager, Mr. Don Chadd, asked the committee if they would like to change the start time of the Finance/Audit Committee Meeting to begin at 7:00a.m. They agreed that would be acceptable.

FINANCIAL MATTERS

ITEM NO. 1) FINANCE/AUDIT COMMITTEE MEETING RECAP

The June 2, 2010 Finance/Audit Committee Meeting Recap was presented to the Committee. No changes were made

Recommendation: The Committee recommended that the June 2, 2010 Finance/Audit Committee Meeting Recap be received and filed by the Board. (Consent Calendar).

ITEM NO. 2) RATIFICATION OF DIRECTORS' FEES AND EXPENSES AND FUTURE MEETINGS

Discussion occurred regarding the timing of presenting this information. Staff recommends approving meeting which have already occurred. It was agreed matters which occur between the dates of one regular board meeting to the next will be provided at the time of the regular board meeting for each individual director to verify by signature the meeting(s) which were attended. The Committee took this matter under consideration.

Recommendation: The Committee recommended that the Board ratify the Directors' expenses for May 2010, fees for June 2010. (Consent Calendar.)

ITEM NO. 3) STATUS UPDATE RELATING TO WATER MONITORING AND WATER CONSERVATION EFFORTS

Mr. Chadd provided an update. Discussion occurred regarding statistics provided by MWDOC. There were no anomalies to report.

Recommendation: The Committee received and filed the status update. No action necessary.

ITEM NO. 4) DISCUSSION REGARDING DESIGNATION OF THE ADMINISTRATION FACILITY AS THE ENGINEERING AND OPERATIONAL CONTROL CENTER

Mr. Chadd provided information as to the current use of the administration facility and discussed recent organizational changes which have resulted in the equipment, radios, maps and other critical data, sensitive in nature, to be located and used at the Administration Facility.

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Mr. Chadd stated from this location, TCWD operators have the ability to control and monitor all of TCWD's auxiliary stations remotely.

**Recommendation: The Committee received the information, discussion occurred. Staff will discuss the matter with legal counsel and provide an update to the Board.**

ITEM NO. 5)           DISCUSSION REGARDING FIXING THE EMPLOYER'S  
CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL  
AND HOSPITAL CARE ACT

Mr. Michael Perea, Special Projects Manager, provided background information as to the established District benchmark and provided a chart depicting new health premium rates along with the percentage of increase. Discussion occurred.

**Recommendation: The Committee received the information as presented. Staff was directed to provide more detail.**

ITEM NO. 6)           DISCUSSION REGARDING BAD DEBT ACCOUNTS COLLECTION  
PROCEDURES

Ms. Teresa Teichman, Customer Service Manager, reviewed the current procedures in place for the collection of unpaid, overdue accounts.

Ms. Teichman reviewed the bad debt by fiscal year and explained how carrying this bad debt forward is impeding the newly upgraded billing system. Ms. Teichman confirmed bad debt not carried forward is not forgiven and still collectable and continues to track within our billing system. Discussion occurred.

**Recommendation: The Committee received the information and forwarded to the Board. (Action Calendar).**

ITEM NO. 7)           DISCUSSION RELATING TO FINANCIAL SERVICES  
PROVIDED BY NBS

Mr. Chadd reviewed the services NBS currently provides to the District and went over an expanded scope of service.

Mr. Chadd stated an expanded level of service by NBS will not impact the District financially as the administrative fees are charged to the CFD.

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*Recommendation: The Committee received the information and forwarded to the Board. (Action Calendar).*

ITEM NO. 8) OTHER MATTERS

Mr. Hector Ruiz, District Engineer, advised the committee he will begin submitting claims for reimbursement from the State Revolving Fund Loan (SRF) within the month.

Mr. Ruiz advised personnel from the Department of Fish and Game visited the wells project construction site during the month and requested project documentation. This information was provided and was deemed to be satisfactory.

*Recommendation: The Committee received and filed the status update. No action necessary.*

ITEM NO. 9A) PRESENTATION OF MAY, 2010 UNAUDITED FINANCIAL STATEMENT

Mr. Chadd reviewed the May 31, 2010 preliminary unaudited financial statement.

*Recommendation: The Committee recommended that the Board receive and file the May 31, 2010 preliminary unaudited financial statement, as presented. (Consent Calendar).*

ITEM NO. 9B) BILLS FOR CONSIDERATION

The bills for consideration were presented.

*Recommendation: The Committee recommended that the Board ratify payment of the July 7, 2010 bills for consideration in the amount of \$659,137.84 and the June 2010 payroll in the amount of \$158,787.91, as presented. (Consent Calendar).*

ADJOURNMENT

Committee Chair Haselton adjourned the July 7, 2010 Finance/Audit Committee Meeting at 7:43 a.m.